

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AGR-05 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03 FEA-01

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FM AMEMBASSY ROME

TO SECSTATE WASHDC 1194

INFO AMCONSUL MILAN

AMCONSUL NAPLES

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E.O. 11652: N/A

TAGS: ENRG, IT

SUBJECT: CORRUPTION IN THE NEWS: OIL AND BANANAS

REF: (A) ROME 1540, 2/2/74

(B) ROME 2156, 2/14/74

(C) ROME 2730, 2/26/74

1. SUMMARY. REVELATIONS IN THE WALL STREET JOURNAL AND ELSEWHERE THAT US MULTI-NATIONALS HAVE MADE CONTRIBUTIONS TO ITALIAN POLITICAL PARTIES HAVE BEEN PROMINENTLY FEATURED IN PRESS. ONLY UNITED BRANDS CASE NEW, AS PETROLEUM COMPANY PAYMENTS (REFTELS) WERE DISCOVERED IN EARLY 1974, AND ARE UNDER INVESTIGATION BY PARLIAMENT. END SUMMARY.

2. AS MIGHT BE EXPECTED, STORIES FROM US PRESS, CONGRESSIONAL HEARINGS AND DECLARATIONS BY HIGH OFFICIALS OF MULTINATIONAL OIL COMPANIES RELATING TO QTE CONTRIBUTIONS UNQTE TO ITALIAN POLITICAL PARTIES HAVE TOUCHED OFF MINOR ORGY OF LIMITED OFFICIAL USE

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PRESS CONDEMNATION. WHILE MUD-SLINGING MOST PREVALENT IN

LEFTIST-ORIENTED PAPERS SUCH AS ROME DAILY IL MESSAGERO, OTHERS SUCH AS MILAN DAILY CORRIERE DELLA SERA AND TURNISS LA STAMPA HAVE WEIGHED IN AS WELL. CURRENT LIST OF CONTRIBUTORS CHEVRON (STD. OF CALIFORNIA), AMOCO (STD OF INDIANA), EXXON, GULF, MOBIL, AND EACH DAY'S CONTRIBUTION HAILED AS FURTHER EVIDENCE CORRUPTION BY OIL COMPANIES AND CORRUPTABILITY ITALIAN POLITICAL CLASS. LATTER FACTOR PARTICULARLY EMPHASIZED IN VIEW JUNE 15 ADMINISTRATIVE ELECTIONS, AS PARTIES JOCKEY FOR POSITION. QTE BLACKMAIL UNQTE DEFENSE OFFERED BY COMPANY SPOKESMAN COVERED, AS WELL AS CONGRESSIONAL CONSIDERATION MEASURE OUTLAWING FOREIGN POLITICAL CONTRIBUTIONS.

3. AS LA STAMPA OBSERVED, INFORMATION THUS FAR ADDUCED DOES NOT ADD ANYTHING TO WHAT WAS ALREADY KNOWN. BASIC OUTLINE PETROLEUM COMPANY CONTRIBUTIONS TO ITALIAN POLITICAL PARTIES AND FAVORS ALLEGEDLY RECEIVED IN RETURN WERE PUBLICALLY REVEALED IN EARLY 1974 AS RESULT OF AN INVESTIGATION LAUNCHED BY A GENOA PROSECUTOR (SEE REFTELS). AFTER SOME JUDICIAL WRANGLING, THIS INVESTIGATION WAS TURNED OVER TO A PARLIAMENTARY INVESTIGATORY COMMISSION WHICH IS PROCEEDING AS SLOWLY AS THE POLITICAL INFLUENCE OF THE POTENTIALLY IMPLICATED PERMITS.

4. ONLY QTE NEW UNQTE SCANDAL IS ALLEGED DOINGS OF UNITED BRANDS NEE FRUIT (DOING BUSINESS IN ITALY AS COMPAGNIA ITALIANA DELLA FRUTTA). PRESS HAS FAITHFULLY FOLLOWED DEVELOPMENTS IN HONDURAS AND ELSEWHERE, MAKING UNFAVORABLE COMPARISONS BETWEEN SO-CALLED BANANA REPUBLIC REACTION AND THAT OF GOI. MINISTER OF FOREIGN TRADE DE MITA HAS REPORTEDLY ORDERED INVESTIGATION INTO ALLEGATIONS. PRESS HAS REPORTED THAT ITALIAN EMBASSY WASHINGTON HAS ASKED FOR CLARIFICATIONS OF SCANDALS FROM USG.

5. SO FAR, VERY LOW PROFILE COMPANIES BROKEN ONLY BY PRESS RELEASE BY ESSO ITALIANA PRESIDENT ALDO SALA POINTING OUT THAT CONTRIBUTIONS TO ITALIAN POLITICAL PARTIES WERE LEGAL DURING PERIOD ALLEGED CONTRIBUTIONS WERE MADE, AND THAT ESSO ITALIANA HAS MADE NO DONATIONS SINCE HE (SALA) BECAME PRESIDENT IN SPRING 1972.

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6. COMMENT: ITALIAN PRESS UNANIMOUSLY EXPECTS NO RPT NO LOCAL RELEVATIONS PRIOR TO JUNE 15 ELECTIONS, AND LESS THAN OPTIMISTIC FURTHER INFORMATION WILL BE AVAILABLE LATER. EMBASSY CONCURS.VOLPE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, CORRUPTION, PRESS COMMENTS, BANANAS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 MAY 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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